

Message Text

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ORIGIN AF-18

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20

STR-08 CEA-02 L-03 H-03 IGA-02 /168 R

DRAFTED BY AF:DDNEWSOM:RCB

APPROVED BY AF:DDNEWSOM

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TREASURY: MR. SHAPIRO

AFR/CWA:MR. GRIFFITH

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R 192155Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY ACCRA

INFO AMEMBASSY LONDON

C O N F I D E N T I A L STATE 207911

E.O. 11652: GDS

TAGS: EFIN, EAID, PFOR, GH, IBRD

SUBJECT: GHANA DEBT

1. FOLLOWING EARLIER CONVERSATION IN WASHINGTON, ASSISTANT SECRETARY NEWSOM SAW AMBASSADOR DEBRAH, GHANAIAN PRINCIPAL SECRETARY FOR FOREIGN AFFAIRS, IN NEW YORK, OCTOBER 18. DEBRAH HAD REQUESTED INFORMATION ON CURRENT US POSITION WITH RESPECT AID LOAN AND DEBT SETTLEMENT.

2. NEWSOM ADVISED DEBRAH THAT US WILL BE PREPARED TO PROCEED WITH COMMODITY IMPORT LOAN TO GHANA OF \$19 MILLION AFTER DEBT SETTLEMENT IS INITIALED. NEWSOM STRESSED THAT
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US POSITION REMAINED FIRM THAT RESUMED AID LENDING WAS NOT

POSSIBLE IN ABSENCE OF DEBT SETTLEMENT.

3. DEBRAH COMMENTED THAT THIS SEEMED TO REPRESENT CHANGE IN EARLIER POSITION WHICH SAID US PREPARED TO PROCEED QUOTE WHEN THERE IS SUBSTANTIAL PROGRESS TOWARD DEBT SETTLEMENT.UNQUOTE NEWSOM SAID POSITION HAD EVOLVED BUT THAT THIS POSTURE SHOULD NOT PRESENT SERIOUS DIFFICULTIES IN VIEW OF CURRENT HOPEFUL OUTLOOK FOR SETTLEMENT.

4. DEBRAH AGREED THAT OUTLOOK WAS HOPEFUL. GHANA GOVERNMENT PREPARED TO PROCEED WITH MEETING WITH CREDITORS. WE SHOULD BE AWARE HOWEVER THAT THERE WERE STILL DIFFERENT TENDENCIES IN GHANA AND THAT OUTCOME WAS STILL NOT CERTAIN. MATTER WAS FURTHER COMPLICATED BY BRITISH EFFORTS TO SEEK DISCUSSIONS WITH GHANA ON REPUDIATED DEBTS. DEBRAH SAID HE HAD MADE CLEAR TO BRITISH HIGH COMMISSIONER THAT GHANA WOULD NOT MEET SEPARATELY WITH BRITAIN ON THIS SUBJECT BEFORE GENERAL MEETING WITH CREDITORS. TO DO SO WOULD BE TO RETURN TO PATTERN OF INDIVIDUAL MEETINGS WHICH GHANA HAD WANTED IN FIRST PLACE BUT WHICH CREDITORS HAD OPPOSED. GHANA HOPED TO DEAL WITH REPUDIATED DEBTS AFTER GENERAL SETTLEMENT THROUGH ARBITRATION OR PREFERABLY THROUGH NEGOTIATED SETTLEMENT.

5. IN RESPONSE TO QUESTION, DEBRAH SAID PARTICIPATION ISSUE WAS NOT A PROBLEM IN VIEW OF GENERAL PROGRESS BEING MADE IN SEPARATE NEGOTIATION. RUSH

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